

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1890 - SB 2563

February 10, 2022

SUMMARY OF BILL: Redefines, from kindergarten through grade six to pre-kindergarten (Pre-K) through grade six, the definition of elementary schools for purposes of federal funding.

FISCAL IMPACT:

Other Fiscal Impact – Distributing federal funding to Pre-K programs will result in a local fiscal impact that is dependent on multiple funding variables that will vary across districts. The precise impact on local funding will vary among LEAs and cannot be reasonably determined.

Assumptions:

- The U.S. Department of Education requires states to use their established definition of elementary and secondary schools for the purposes of funding.
- In May 2021, the U.S. Department of Education released guidance stating early childhood education programs are an allowable use of funds under the Elementary and Secondary School Emergency Relief Fund (ESSER) and the Governor's Emergency Education Relief Fund (GEER).
- The current definition of "elementary school" pursuant to Tenn. Code Ann. § 49-6-301 excludes Pre-K programs from using federal funds.
- The proposed legislation changes the statutory definition of elementary school, but will still be limited in scope because Tennessee's voluntary Pre-K program does not include five-year old students.
- Numerous federal grant methodologies are grounded in the Title I formula based on data derived from the U.S. Census for students ages five through seventeen.
- Including Pre-K in the state definition will not increase the state's allocation of federal funds because three and four-year old students are not counted in the U.S. census data.
- While federal funding will not increase as a result of this legislation, including Pre-K in the state's definition of elementary school will allow the use of federal funding on Pre-K programs.
- Allowing federal funding to be used for Pre-K programs will require the same amount of funding to be allocated to support additional students. This may result in a net increase or decrease in local expenditures dependent on scenarios and variables unique to each local education agency (LEA).

- The local fiscal impact will be contingent upon the number of Pre-K students in each district, local maintenance of effort levels, the degree to which federal funding may supplant local funding, and the extent to which local funding may need to replace a decrease in federal funding; therefore, the precise fiscal impact will vary among LEAs.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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